



MEDIA RELEASE

For Immediate Release
August 28, 2003

Contact: Stacey Farnen
202-225-3130

HOYER VOWS VICTORY IN FIGHT FOR FAIR FEDERAL EMPLOYEE PAY

President Pushes for Lower Pay Adjustment Days before Labor Day

WASHINGTON – House Democratic Whip Steny Hoyer (MD) released the following statement today in response to a letter from President Bush to Speaker Dennis Hastert announcing his decision to invoke a national emergency to avoid implementing the federal employee pay adjustment provided for in the Federal Employee Pay Comparability Act. The President continued to advocate a 2 percent pay raise and a \$500 million Human Capital Performance Fund as he proposed in his 2004 budget earlier this year.

In July, the full House Appropriations Committee adopted the Hoyer-Wolf-Moran amendment to the Fiscal Year 2004 Transportation Treasury Appropriations Bill to provide a 4.1% pay adjustment for federal civilian employees, including blue collar employees, providing them with pay parity with military employees.

“President Bush continued to demonstrate a lack of appreciation for federal employees in his letter released yesterday, just days before Labor Day, the day that honors all American workers. His decision to invoke a national emergency to provide an inadequate pay raise for the very men and women who are confronting that emergency on a daily basis smacks of indifference, or at least a failure to understand the role federal employees play in keeping America safe.

“The President’s action is made worse by his willingness at the same time to provide political appointees with bonuses and his relentless pursuit of trillions of dollars of tax breaks that mainly benefit the wealthiest Americans, not the middle-class. If the Administration is unable to fairly compensate career federal employees who work just as hard, it should not award bonuses to its political appointees. And, the Administration should not ask federal employees to give up \$1.6 billion in pay to help pay for the war while providing \$85 billion in tax cuts in 2003 alone for those making over \$200,000.

“It is important to keep this issue in perspective. The 4.1 percent pay adjustment that I have been advocating for federal employees with many of my colleagues in Congress would cost an additional \$1.6 billion over the president’s proposal. In comparison, the federal government spends \$1.6 billion *in just twelve days in Iraq*.

“The Administration appears to believe federal employees are an easy target. But I urge the President to remember that the workers he is shortchanging are the scientists at the CDC who are working to protect Americans against a biological terrorist attack, the men and women of the CIA who are risking their lives

around the world in the fight against terrorism, and the Customs officers who guard our borders. These are not faceless clerks pushing paper in the bowels of government bureaucracy.

“I will continue my fight on Capitol Hill to provide a fair pay adjustment for federal employees when Congress returns next week.”

The Federal Employee Pay Comparability Act (FEPCA) of 1991 provides for annual pay adjustments for federal employees of base annual pay and locality pay. Under FEPCA, the base annual pay adjustment is based on Employment Cost Index (ECI), which measures change in private sector wages and salaries. The ECI showed that the annual across-the-board increase would be 2.7% in January 2004 and would cost approximately \$2.7 billion.

Under FEPCA, the locality payment adjustment is calculated by the Bureau of Labor Statistics through a National Compensation Survey that reviews 32 regions nationwide. The NCS showed that the locality adjustment, overall, should be 15.1% starting in January 2004 and would cost approximately \$12.5 billion.

Under FEPCA, the president is required to present an alternative pay plan before September 1 if he disagrees with the FEPCA base pay formulation. President Bush did this on August 28 when he announced the base annual pay adjustment would be only 1.5%, not the ECI recommended 2.7% -- a 1.2% reduction. Further, the president proposed a 0.5% locality pay adjustment, which will cost \$500 million. Finally, he proposed yet again the controversial \$500 million “Human Capital Performance Fund”, which was granted only \$2.5 million in the House 2004 Transportation Treasury Appropriations Bill passed by the full Appropriations Committee in July.

The decision President Bush announced yesterday, while not without precedent, is highly unusual. Since FEPCA became law, the ECI recommended adjustment has been rejected only in August 1993, August 1995, August 1997, and August 2003.

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**CONGRESS OF THE UNITED STATES
WASHINGTON, D.C. 20515**

June 25, 2003

The Honorable C.W. Bill Young
Chairman
House Committee on Appropriations
Room H-218

The Honorable David R. Obey
Ranking Member
House Committee on Appropriations
Room H-218

The Honorable Ernest J. Istook, Jr.
Chairman
House Subcommittee on Transportation,
Treasury and Independent Agencies
Room 2358 Rayburn HOB

The Honorable John W. Olver
Ranking Member
House Subcommittee on Transportation,
Treasury and Independent Agencies
Room 1016 Longworth HOB

Dear Chairmen and Ranking Members:

As you work toward the funding needs for the nation's transportation systems, we respectfully request that you fund Amtrak at \$1.812 billion -- the level requested by its President and CEO, David Gunn.

Fully funding Amtrak's grant request will allow Mr. Gunn to bring stability to Amtrak's operations. Policymakers will then be able to debate the railroad's future in something other than a crisis environment. In the year that he has been at the helm of Amtrak, David Gunn has completely reorganized the railroad, created efficiencies by streamlining the workforce, and worked closely with the states to increase their share to 100 percent of the operating loss for services Amtrak operates at the states' request. He has also begun the tasks of repairing wrecked and damaged cars, improving on-time performance, and upgrading the quality of service to Amtrak's customers. At the same time, he has taken steps to eliminate unprofitable lines of business and to refocus the company on its core mission -- moving passengers.

The DOT Inspector General and others have made it clear that Amtrak requires a substantial Federal investment to rehabilitate its infrastructure. In attempting to meet the self-sufficiency mandate that Congress enacted in the Amtrak Reform and Accountability Act of 1997, Amtrak had no choice but to postpone critical infrastructure replacement and maintenance activities. The result is a railroad in poor financial and physical shape. The problem can be fixed -- and must be fixed -- but it will take time and money. We believe that David Gunn has demonstrated to this Congress that he has the knowledge, discipline, and integrity to make the reforms required to right the previous wrongs at Amtrak. His track record speaks for itself.

Mr. Gunn has opened Amtrak's books and they are available to anyone who wishes to see them. The numbers make it clear that Amtrak is teetering on the brink of the precipice and needs to be stabilized. The \$1.812 billion that Amtrak has requested for FY 2004 is critical to bringing about that stability. As you work to reach agreement on the appropriate funding for the respective modes, we urge you to approve \$1.812 billion for Amtrak.

Sincerely,

Jack Quinn

Corine Brown

Robert M. Reed

Earl Blumenauer

Robert J. Matsui

Richard E. Neal

John M. McHugh

Charles W. Stenholm

Jim Oberstar

Mike Costle

Jim Langer

Tina Turner

Neil Abernethy

Raul M. Grijalva

John P. Turner

Bob D. Latta

Enhancements Talking Points In Response to H.R. 2989 Transportation and Treasury Appropriations Bill for FY2004

Background

On July 24, the House Appropriations Committee voted to eliminate the guaranteed funding for the popular Transportation Enhancement (TE) program. The Appropriations Bill (H.R. 2989) approved by the committee will be voted on by the full House of the Representatives in early September. An amendment to H.R. 2989 will be offered to reverse the committee action and restore the funding set-aside for TE.

The Ask

Vote to strike Section 114 from H.R. 2989 and oppose any other amendments that might be offered that reduce, flex or undercut the Transportation Enhancements program.

Talking Points

1. H.R. 2989 eliminates the guaranteed funding for the popular Transportation Enhancement program. Proponents of the funding cut say revenues are falling and the economy is tight and therefore cuts must be made – but H.R. 2989 actually increases the transportation budget by \$4.5 billion over the Administration's funding request. The Appropriations Committee proposes to take an additional \$600 million from TE and divert it to highway projects.
2. Congress established the TE program in 1991 as a guarantee to their constituents that a small percentage of their gas tax dollars would be targeted to small-scale, community-initiated, locally selected transportation projects. H.R. 2989 breaks that promise, and contradicts the intent of ISTEA and TEA-21 to provide balanced, intermodal transportation networks.
3. Congress created the program because state departments of transportation were simply not investing in projects supporting bicycling, walking, trails, scenic or historic preservation, and other enhancements to the transportation system. There is little evidence to suggest that state DOTs will be any more willing to do so now than they were 12 years ago.
4. The TE program has supported more than 16,000 local transportation projects in almost every county and Congressional District in the country. These projects have made American communities better places to live by:
 - a. Inspiring community revitalization,
 - b. Creating safe places to walk and bicycle,
 - c. Restoring historic transportation infrastructure, and
 - d. Sparking hometown pride

Vote for the Petri/Olver Amendment

Dear Colleague:

We write to urge you to support our amendment to save the transportation enhancements program. Our amendment would strike language in HR 2989, the FY 2004 Transportation, Treasury, and Independent Agencies Appropriations bill, that eliminates funding specifically dedicated for transportation enhancements.

This well-established program was first created in the 1991 ISTEA and continued in TEA 21. In fact, the President has extended the program in his TEA 21 reauthorization proposal, known as SAFETEA. Although small in size – constituting only about two percent of the overall funding of the Federal-aid highway program -- enhancements pack a big punch in terms of impact on our local communities.

The transportation enhancement program improves the economic and environmental health of our communities. It has funded more than 15,000 projects nationwide, helping communities create bicycle and pedestrian paths, develop walkable downtowns, and protect scenic vistas and historical sites. To date, bicycle and pedestrian facilities, combined with rail-to-trails, comprise over one-half of all enhancements obligations. Some of you may not even realize the projects in your area that have been funded with enhancements dollars --- there is a Web site, www.enhancements.org where you can identify all of the projects in your Congressional district funded by the enhancements program.

The enhancements program has been part of a successful and balanced national transportation plan for the last 12 years. We urge you to support our amendment to save this important transportation program.



CONGRESSWOMAN
ROSA L. DELAURO

NEWS RELEASE

For Immediate Release
Thursday, September 4, 2003

Contact: Lesley Sillaman
202-225-3661

**DeLauro Spearheads Efforts to Increase Enforcement of
Corporate Tax Fraud**

*Amendment would redirect funds from discriminatory EITC pre-certification
program*

Washington, DC – Congresswoman Rosa L. DeLauro (D-CT) today joined Congressman Jim Cooper (D-TN) and Congresswoman Carolyn Kilpatrick (D-MI) in offering an amendment that would take funding from the Internal Revenue Service's (IRS) proposed Earned Income Tax Credit (EITC) pre-certification program and redirect it toward investigations to increase tax compliance of mid and large-sized corporations. The EITC is a refundable tax credit available to low income families that helps them provide for themselves and their families.

"No one wants to see fraud go unpunished," said DeLauro. "But we must be fair. We cannot require the lowest income Americans to meet pre-certification standards that no one else is required to meet and at the same time, fail to crack down on fraud in business and higher income taxpayers."

The IRS has proposed a \$100 million pilot program to "pre-certify" families eligible for the EITC, forcing individual taxpayers to take additional burdensome efforts to prove their eligibility for the tax credit. The program would in essence create a two-tiered tax enforcement system, one for high-income Americans and one for low-wage workers. For example, if a taxpayer wants to receive his or her EITC payment without delay, they must prove before the end of the tax year that a child has resided with them for at least 6 months, otherwise the credit will be delayed indefinitely. These measures are not required for any other tax incentives or write-offs, including those for individuals and corporations. The Cooper-DeLauro-Kilpatrick Amendment would redirect \$75 million from the pre-certification program and put it toward enforcement of mid and large-sized corporations, leaving \$25 million for the EITC program.

In addition, EITC noncompliance accounts for less than 3 percent of the estimated total taxes and go uncollected. In contrast, individuals who under-report business income on their taxes defraud the government of \$40 billion a year, and the government loses \$6.5 billion in tax revenues yearly from corporations that are not audited because of the lack of IRS resources.

- more -

The amendment was offered today on the House Floor during debate of the FY 2004 Transportation-Treasury Appropriations Bill. Last night, the Rules Committee failed to protect a separate amendment by DeLauro, that would prohibit the Treasury Department from contracting with companies who have reincorporated overseas to avoid paying taxes in the United States. Due to the Rules Committee action, Republicans were expected to remove DeLauro's corporate expatriates contracting ban. With this action, the Republican majority has shown once again their refusal to force these companies, who are contracting with the American government, to pay American taxes just like every citizen in this country.

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Vouchers—Where I Stand and Why
Eleanor Holmes Norton
August 28, 2003

It has been some time since we've seen honest to goodness citywide activism on a single issue, but we certainly are seeing it now. A new, very active Coalition for Accountable Public Schools of organizations, individuals, and ministers formed almost spontaneously after three D.C. officials abruptly endorsed private school vouchers paid for with federal money. Ministers, rabbis and imams are preparing to launch a Public Funds for Public Schools Lobby Day on Wednesday, September 3, during the midday lunch hour. Residents are dismayed that D.C. is in another vouchers fight in Congress. They remember that President Clinton responded to unanimous Council and School Board resolutions and kept the Congress from imposing vouchers on D.C. Now three D.C. officials are inviting Congress to do exactly that.

The majority of D.C. public officials have again gone on the record to oppose vouchers. However, Mayor Tony Williams, Council Member Kevin Chavous, and School Board President Peggy Cafritz are seeking funds for private school vouchers. Yet these are the officials with primary responsibility for public education in this city and the officials who are cutting D.C. Public Schools by \$40 million. Most residents don't yet know the worst of it. If the 2,000 children leave on private school vouchers the schools will lose an additional \$25 million in combined federal and local per pupil funding. Public officials have been entrusted with special responsibility to the children in our publicly accountable schools--- the D.C. public schools and our charter schools. Particularly given school budget cuts, our children in public schools could use the funds that may now go to far fewer in private schools.

The three claim concern for children over concern for their schools. When it comes to the majority of our children that is a distinction without a difference. It's a distinction that does not even hold up for the few children that would benefit from vouchers. A Government Accounting Office (GAO) study has found no significant improvement in the performance of children using vouchers.

When the anti-voucher Coalition formed here, the three pro-vouchers officials quickly regrouped and asked for money for both public schools *and* vouchers. However, when asked at a Government Reform Committee hearing if he had a choice, should the funds go to vouchers or public schools, Mayor Williams indicated he preferred the private school vouchers.

To make the vouchers acceptable however, Williams, Chavous and Cafritz have adopted the "three sector approach" that includes money for the D.C. public schools and for charter schools. The House bill, however, provides money only for vouchers. The Senate bill includes funds for public schools too, but with a big difference. For vouchers, \$13 million is authorized for five years. The comparable money for public and charter schools is for this year only, a sure indication that the public school money is there to help the more extensive vouchers funding get through Congress. (MORE)

If vouchers are imposed on D.C., we will be the only jurisdiction Congress has insisted accept vouchers. A solid bipartisan congressional majority, including many Republicans, has repeatedly voted down federal funds for vouchers for everyone else. The District should be the last jurisdiction to be targeted for vouchers. The city has moved far ahead of the rest of the country to make sure parents have alternatives to the traditional neighborhood schools. A child may go out of boundary to school. In addition, the most popular alternatives are the 42 charter schools, the largest number per capita in the country. Public officials should be seeking funds to ease crowding and reduce the wait lists of children eager to get into our charter schools.

Perhaps the most significant alternatives are the 15 transformation schools, low performing schools serving mostly low-income children and their parents. These schools have done what neither private nor public schools have done. All 15 schools scored improvements in Standard 9 achievement test scores. These improvements are the direct result of increased funding for extra services for students and parents alike. If pro-voucher officials are after federal money, these transformation schools are where to put it.

The majority of the City Council and of the elected members of the School Board have written Congress opposing the voucher rider now pending in the D.C. appropriation. From the Council they are Chairman Linda Cropp, Carol Schwartz, Jim Graham, Phil Mendelson, Sandra Allen, Vincent Orange and Adrian Fenty. From the School Board, they are Vice Chair Mirian Saez, Dwight Singleton, Tommy Wells and William Lockridge.

The Coalition has asked our office to reserve space in the Congress for Public Funds for Public Schools Lobby Day on September 3. They will be led by ministers 12-2PM from Room 2167 in the Rayburn Building. Residents can join them in speaking up for our children and for public education. Call the D.C. NAACP at 202-667-1700 for information.

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July 24, 2003

TO: The Honorable Rodney Frelinghuysen
Chairman
Appropriations Subcommittee on the District of Columbia
2442 Rayburn House Office Building
Washington, DC 20515

The Honorable Chaka Fattah
Ranking Member
Appropriations Subcommittee on the District of Columbia
2301 Rayburn House Office Building
Washington, D.C. 20515

FROM: Councilmember Carol Schwartz
Councilmember Jim Graham
Councilmember Phil Mendelson
Councilmember Sandra Allen
Councilmember Vincent Orange
Councilmember Adrian Fenty
Board of Education, Vice Chair, Mirian Saez
Board of Education, Member, Dwight Singleton
Board of Education, Member, Tommy Wells
Board of Education, Member, William Lockridge

We very much appreciate Senate efforts to get additional funds for the District of Columbia public schools. However, we are concerned about the effect of a pending vouchers amendment to the D.C. appropriation. We support recent efforts in the Senate to remove vouchers from the pending Senate appropriation rather than linking funds for our public schools to vouchers. It is important to recognize that the District of Columbia has established two sets of publicly accountable alternatives: transformation schools and charter schools.

First, three years ago, Superintendent Paul Vance established 15 transformation schools, among our lowest performing schools, attended by many of our lowest income children. These children have scored the first significant improvements in Stanford 9 achievement scores. Extra services provided to parents and children alike, as well as new faculty, are largely responsible for these gains. We hope you agree that these children in our successful alternative public schools deserve first priority for federal funding, especially now when the school system is making \$40 million in cuts because of budget pressures. These cuts will likely affect the continued progress of children in the transformation schools. We believe that the provision in the Senate appropriations bill for the D.C. public schools would help shore up the loss of funds to transformation and other D.C. public schools.

Second, the District of Columbia has established the largest number of charter schools per capita in the country. However, these charter schools are so popular that the city cannot keep up with the demand, particularly for adequate facilities. Funds are urgently needed to provide these facilities so that we can move children from warehouses and churches to appropriate buildings, as the Senate bill would allow.

We do not believe that it is fair to place the District of Columbia at the center of a debate on vouchers. We ask that you remove us from this controversial debate by eliminating the voucher provision. This action would go a long way toward freeing the D.C. appropriation while preserving funds for the deserving students in our public and charter schools.

Thank you for your help in this important matter.



Parents United for the D.C. Public Schools

11 Dupont Circle NW, Rm.433 Washington, D.C. 20036 Phone (202) 518-3667 Fax (202) 319-1010

July 24, 2003

The Honorable Rodney Frelinghuysen
Chairman
Appropriations Subcommittee on the District of Columbia
2442 Rayburn House Office Building
Washington, DC 20515

The Honorable Chaka Fattah
Ranking Member
Appropriations Subcommittee on the District of Columbia
2301 Rayburn House Office Building
Washington, D.C. 20515

Parents United for the D.C. Public Schools and the District of Columbia Parent Teachers Association (DCPTA) oppose any action by the Congress of the United States that would use federal funds to support a voucher program in the District of Columbia. Together, we represent the parents of the District of Columbia. Members of Congress may remember Parents United for the lawsuit that compelled the city to correct safety violations and which led to the development of a master facilities plan for the D.C. public Schools (DCPS).

The majority of our membership has overwhelmingly voiced strong opposition to funding vouchers in the District of Columbia. As the public schools continue to work hard to meet the needs of all students and are held to higher standards, federal dollars should not fund private schools that will choose their students and are held to no standards.

As parents who are engaged and involved with our local schools as well as at the citywide level, we also want to bring to your attention a particularly urgent concern. Since our schools are formula funded, 2000 fewer students leaving DCPS at once mean a loss of \$25 million. Recently, the Board of Education took a vote to rescind negotiated pay raises for all staff, part of a \$40 million cut in DCPS. More losses would cripple school funding.

On behalf of thousands of D.C. Public School parents, we ask that you cast a no vote for this and any other voucher bill.

Sincerely,

Iris J. Toyer, Co-Chair
Parents United for the D.C. Public Schools

Darlene T. Allen, President
District of Columbia Parent Teachers Association

July 24, 2003

Listen to D.C. Parents! Vote No on Vouchers

Dear Colleague:

The attached letter to the D.C. appropriators is from the two organizations that represent the majority of parents in the District of Columbia. Many of you will recognize Parents United as the major parents organization driving school reform on the District, including its work in compelling the correction of violations and the rehabilitation of school buildings. Our D.C. Parent Teachers Association operates like your own PTAs.

You listen to your own parents before you vote. Please listen to mine. D.C. parents want a no vote on vouchers!

Sincerely,

Eleanor Holmes Norton

July 24, 2003

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Sincerely,

Eleanor Holmes Norton

The Facts on the FACT Act

Dear Democratic Colleague:

As a coauthor of the Fair and Accurate Credit Transaction (FACT) Act, which will be coming to the House floor for consideration next week, I'd like to take this opportunity to quickly explain the facts of this legislation.

This legislation is crucial to protect our consumers from the dangers of identity theft, the fastest growing white collar crime in America. The legislation takes these important steps towards protecting our consumers from identity theft:

- Creates a duty for furnishers to investigate change of addresses, which can be indicators of identity theft.
- Creates a multi-level fraud alert system for victims of identity theft to protect their credit information.
- Requires all credit and debit card receipts to be truncated to protect these valuable identifiers.
- Provides a summary of rights for all potential victims of identity theft.
- Allows consumers to block all credit information resulting from identity theft.
- Establishes "Red Flag" procedures so that government regulators can help furnishers to stop identity theft before it occurs.
- Requires a study on how technology can help solve identity theft.

Additionally, this legislation takes steps to improve dispute resolution and improve accuracy of credit reports. The legislation takes the following steps towards these goals:

- Requires a reasonable reinvestigation of disputes and requires a prompt reinvestigation.
- Requires CRA's and furnishers to reconcile differences in addresses on requests.
- Prevents repollution of data that is a result of identity theft.
- Requires credit reports to disclose contact information of furnishers to resolve disputes.

This legislation also provides consumers with more access than ever before to their credit information in order to empower these consumers with the information to protect themselves. The legislation creates this access by:

- Providing free credit reports annually to all consumers.
- Disclosing credit scores for a reasonable fee, as well as important factors that make the score.

Finally, this legislation also has important provisions to protect medical information that is present in the financial services system and provide for confidentiality of medical data in all credit reports.

As you can see, the FACT Act takes a number of long overdue actions to protect our consumers from both identity theft and the dangers of inaccurate information in the credit reporting system. Please support the FACT Act when it comes to the Floor next week and help empower and protect our nation's consumers

Sincerely,

Darlene Hooley
Member of Congress
Oregon's Fifth District



News from Congresswoman Darlene Hooley

Representing Oregon's 5th District • 2430 Rayburn HOB • Washington, DC 20515 • Toll Free: (888) 446-6539

FOR IMMEDIATE RELEASE
June 26, 2003

CONTACT: Joan Mooney
202-226-8018

Bachus, Hooley Lead Way on Fair Credit Report Act Reauthorization **– Reauthorizing Legislation Includes Hooley's Identity Theft Prevention Measures –**

Washington, DC - Today, House Financial Institutions Subcommittee Chair Spencer Bachus (R-AL) and Identity Theft Task Force Chair Darlene Hooley (D-OR) introduced the reauthorization of the Fair Credit Reporting Act. The bill will be the subject of a July legislative hearing and markup in the Financial Institutions Subcommittee.

"This legislation would not only empower consumers with protections," Hooley said, "it also would demand creditors and credit bureaus do their part to combat fraud."

Hooley and Bachus have worked together to ensure that the permanent extension of the expiring provisions of the Fair Credit Reporting Act (FCRA) also included meaningful provisions to protect consumers from identity theft, the fastest growing white collar crime.

The legislation introduced was the result of a series of hearings in the House Financial Services Committee, of which Rep. Hooley is a senior Democrat. The hearings revealed that the nation's credit system is the best in the world thanks in part to the original FCRA, which is an important measure in allowing our credit system to operate in an efficient manner.

The Bachus-Hooley legislation would permanently extend seven expiring provisions of FCRA that they believe are essential to maintain the integrity of our national credit system in addition to convenience and security for consumers.

"Despite my belief that our credit system is the best in the world, I think we can work to make it better by enacting tougher laws to prevent identity theft," said Hooley. "We need to put sharper teeth in our nation's privacy laws so that consumers are protected – and can protect themselves."

As chair of the Identity Theft Task Force, Hooley is uniquely positioned to work on crafting legislation to extend FCRA and enact her identity theft prevention measures.

Among the legislation's key components addressing identity theft are: a change of address notification; fraud alerts; a new rule that would permit only a *partial* display of credit card and debit card numbers on receipts; a mandatory notification of all consumers' rights to suspected victims of identity theft; and one free credit report and score annually from each consumer reporting agency to any consumer requesting a copy.

Hooley views the free credit report provision as perhaps the most important single aspect of the bill.

"Industry and government maintain that it is consumers' responsibility to watch over their credit and their financial matters. If that's the case, we've got to enable and empower consumers with the tools to fight fraud," Hooley said. "A free credit report is the cost of doing business in an era where consumers are expected to be vigilant in safeguarding their personal financial data."

Specifically, the legislation:

Empowers consumers to guard against identity theft by increasing the effectiveness of consumer initiated fraud alerts and enabling consumers to block fraudulent information in their personal credit records after filing a police report;

Increases consumer awareness of their rights if they believe they may be victims of fraud or identity theft;

Improves the accuracy of consumer credit information by discouraging the reintroduction of fraudulent information into the credit reporting system;

Expands consumer access to credit information to ensure accuracy by giving consumers the right to request a free credit report and credit score analysis annually;

Simplifies consumers' ability to limit unsolicited offers of credit;

Enlists financial institutions' support in fighting identity theft by requiring them to develop procedures to "red flag" identity theft, investigate certain changes in customer addresses, and truncate credit and debit card information;

Directs regulators to determine how to increase the prompt investigation and correction of disputed information in a consumer's credit file;

Removes the sunset from the expiring uniform national consumer protection standards to make them permanent.

– 30 –

Fair and Accurate Credit Transactions Act

Section by Section

[CRA = credit reporting agency (credit bureau)]

[User = someone who obtains a credit report relating to a consumer]

[Furnisher = someone who furnishes information to a CRA]

Title I - Uniform National Consumer Protection Standards

- * Permanent Protections: Removes the sunset from the expiring uniform national consumer protection standards to make them permanent.

Title II - Identity Theft Prevention

- * Investigating Changes of Address: Credit card companies that receive a request for additional cards on an existing account within 30 days of receiving a change of address must notify the cardholder at the new and former address.
- * Fraud Alerts: If a consumer has a good faith suspicion that she has been or will be a victim of fraud and requests a fraud alert from a CRA, the CRA must put a fraud alert in the consumer's file and notify each user of the fraud alert. A user cannot provide credit to anyone other than the consumer unless it first attempts to comply with the fraud alert's authorization procedure. A fraud alert is a statement in the consumers file that notifies all users that the consumer doesn't want credit offered without special permission through a preauthorized procedure (such as by verbal approval at the consumer's home phone number).
- * Truncation of Credit and Debit Card Information: Companies can't print credit or debit card expiration dates or account numbers other than the last 4 digits on electronically printed customer receipts.
- * Notice of ID Theft Victim Rights: CRAs must develop policies and procedures for providing a notice of rights to consumers who believe they may be victims of fraud or ID theft. The FTC will develop best practices procedures for CRAs.
- * Security Freeze: Consumers that file a police report alleging fraud can require CRAs to block related fraudulent information on the consumers' credit reports.
- * Establishing Procedures to Red Flag ID Theft: The Federal banking regulators shall establish and update guidelines for banks to identify and "red flag" suspicious activity or patterns that might indicate identity theft.

Title III - Improving Resolution of Consumer Disputes

- * Coordination of Consumer Complaint Investigations: The FTC shall develop procedures for referral of consumer complaints on identity theft and fraud alerts among and between CRAs and the FTC (allowing consumers to report identity theft once to a single CRA and have the information reported to all CRAs and the FTC). The FTC shall also develop model forms and model standards for identity theft victims to contact creditors and CRAs of fraud.
- * Required Reinvestigation of Forwarded Consumer Disputes: CRAs must reinvestigate consumer disputes forwarded by resellers of credit reports (such as intermediaries who consolidate reports for mortgage lenders).
- * Prompt Investigation of Disputed Information: The FTC and FRB shall review how well CRAs and furnishers are complying with the procedures and timelines required by FCRA for the prompt investigation and correction of disputed information in a consumer's credit file, and report to Congress in 6 months with recommendations to ensure promptness and full compliance.

Title IV - Improving Accuracy of Consumer Records

- * Reconciling Addresses: If someone requests a consumer report using an address for the consumer that differs substantially from the most recent address in the CRA's file, the CRA shall notify the requester of the discrepancy and reconcile the difference within 30 days.
- * Prevention of Repollution of Consumer Files: Furnishers may not report information to CRAs that the furnisher knows or has reason to believe resulted from fraudulent activity such as ID theft.
- * Requiring Debt Collectors to Notify Creditors of Fraud: Agents of creditors such as debt collectors that learn that information in a consumer report is fraudulent and may be the result of identity theft must notify the creditor of the fraudulent information.

Title V - Consumer Access to Credit Information

- * Free Credit Reports: Consumers are allowed to request a free credit report annually.

- * Free Analysis of Credit Scores: A consumer report requested by the consumer must include the consumers' credit scores, a summary of how the scores were derived, and how the consumer can improve the scores.
- * Simplification of Consumer Ability to Limit Prescreened Offers: CRAs are required to make it easier and simpler for consumers to limit prescreened offers. The Federal banking agencies are directed to develop standardized notices that are easier for consumers to understand.

Title VI - Protecting Employee Misconduct Investigations

- * Fixing the Vail Letter: Communications to an employer by outside third parties hired to investigate employee misconduct or compliance with the employer's preexisting written policies will not be considered "consumer reports" (meaning that advance notice / permission would be required). If any adverse action is taken based on the communication, the employer shall disclose to the consumer a summary containing the nature and substance of the communication (although certain sources of information are protected).